May 16, 2022

Secretary Marlene H. Dortch
Federal Communications Commission
45 L Street NE
Washington DC 20554

<u>**Re: Notice of Inquiry: Preventing Digital Discrimination, GN Docket No. 22-69**</u>

Dear Secretary Dortch,

Engine is a non-profit technology policy, research, and advocacy organization that bridges the gap between policymakers and startups. Engine works with government officials and a community of thousands of high-technology, growth-oriented startups across the nation to support the development of technology entrepreneurship through economic research, policy analysis, and advocacy on local and national issues. To eliminate digital discrimination, the FCC has to ensure that the traditional barriers to broadband adoption are eradicated. These barriers fall under two categories: affordability and availability. Both barriers to quality Internet access impact households across the country, making universal broadband adoption nearly impossible.

   I.   **Startups are a vital part of the U.S. economy that depends on accessible and affordable Internet access to innovate and grow in an equitable way.**

Startups are more than the pioneers of American innovation; they are also significant generators of U.S. job growth. Startups exist across all regions throughout the country, bringing exciting and cutting-edge technology to the market, driving global competitiveness, and connecting customers with innovative products and services in unique new ways. This work is especially critical now, as much of our everyday lives have moved online during the pandemic. Subsequently, more people are utilizing the Internet for various tasks, services, and information— including social distance learning, working from home, telehealth, and food delivery. At the same time as Internet companies–including startups–see increased demand for their online services, more people are launching their own Internet-enabled small businesses from home. Taken together, the need for universal and quality Internet access is more critical now than ever before. Given the growing need for Internet connectivity, Engine applauds the Biden Administration's passing of the Infrastructure Investment and Jobs Act (IIJA) along with the billions of dollars allocated for broadband deployment and broadband adoption. To continue the growth of the startup ecosystem and make it

more accessible and equitable, the FCC needs to prevent digital discrimination in broadband adoption faced by would-be founders and their employees.

Would-be startup founders and employees across the country and specifically in underserved communities are being hurt by the lack of accessible, affordable, and reliable Internet access. We routinely hear from startups in our network indicating that Internet access can prove to be a decisive factor in prompting startups to even relocate to better-served areas. Many of these startups have identified a growing need for quality Internet, stating the lack of access in their communities causing some founders to leave the area. For example, Andy Cole, the Executive Director of 20Fathoms, in Traverse City, Michigan highlighted Internet connectivity as one of the top barriers to success for startups in Northern Michigan. "We've had three startups relocate here from outside of the region because of this quality Internet access. Yet, fiber is almost nonexistent elsewhere in the community and—if it is—it's prohibitively expensive," he explained.[1]

All startups face constrained budgets and restricted choices given their limited time and resources; their ability to get online in a reliable and cost-effective way should not be another obstacle they face. As we have discussed in our report, Making the Startup Ecosystem More Equitable, startups—especially those founded by women and people of color—are often cash-strapped due to a lack of resources and fewer options for financial backing.[2] Startup founders should not be further limited by digital redlining or unfair pricing models that make quality Internet unaffordable. When ISPs engage in digital redlining, consumers—especially those in Black and brown communities[3]—often have to pay more for the same service or are not offered the highest tier service. For historically disadvantaged founders, this only exacerbates the challenge of building and growing a startup.

II.   The FCC should establish clear rules that prohibit digital redlining in order to protect startups from unfair practices.

In order to guarantee Internet access in the home, the FCC's Communication Equity and Diversity Council should institute a rule protecting historically underserved communities from unfair practices such as overpricing and digital redlining. Since Section 60506(c) of the IIJA requires the FCC and the Justice Department to assure U.S. households that federal policies will "promote equal access to robust broadband Internet access service by prohibiting deployment discrimination based on income or ethnicity" clear and comprehensible rules are needed in order to assure that all would-be

---

[1] *#StartupsEverywhereProfile: Andy Cole, Executive Director, 20Fathoms*, Engine (July 19, 2019), https://www.engine.is/news/category/startupseverywhere-traverse-city-mich. Several founders discuss the need for broadband access in their local ecosystems. *See, e.g.*, *#StartupsEverywhere profile: Amanda Chocko, Director of Entrepreneurship, Lakeshore Advantage*, Engine (Apr. 2, 2021), https://www.engine.is/news/startupseverywhere-zeeland-mich-lakeshore-advantage ("Increasing broadband access locally and across the state would have a positive impact on startups. . . .").
[2] *Making the Startup System More Equitable*, Engine (Nov. 2021), https://static1.squarespace.com/static/571681753c44d835a440c8b5/t/6193d03ac7eb9c40442a6740/1637077051416/Making+the+Startup+Ecosystem+More+Equitable+11.15.pdf.
[3] *Digital Injustice: Disparities in Digital Access across the US and How They Disproportionately Hurt the Black and Latinx Communities*, Digital Planet, https://sites.tufts.edu/digitalplanet/digital-injustice-covid19/ (last visited May 16, 2022).

startup founders are protected. With the creation of the Communications Equity and Diversity Council, the FCC will be more equipped to implement comprehensible rules and assess wrongdoing.

The newly developed council has been granted authority to make recommendations specifically on this subject, and this body should report to the Commission on the harms that redlining has caused low-income communities.[4] For example, the percentage of white Americans with no home broadband access sits at 10 percent; however, this figure jumps to 14 and 17 percent when looking at Latinx and Black consumers.[5] When dispersing the funds from the IIJA, the FCC should take this gap into consideration so as to ensure underrepresented communities have Internet in the home.

In its Notice of Inquiry, the FCC asks commenters to expand what "equal opportunity to subscribe" should constitute. To ensure consumers are protected from digital redlining, the FCC must adopt NTIA's definition of digital inclusion, which includes access to high-speed Internet, personal Wi-Fi-enabled devices, and digital skills to participate online.[6] Adopting this definition will create clear rules for anchor institutions and Internet service providers regarding what constitutes broadband coverage. As mentioned earlier, would-be founders from historically underrepresented communities often have poor to no Internet access, which hinders their ability to enter the startup ecosystem and positively impact their community.

III.   Before the FCC and the NTIA deploy funds from the Infrastructure Investment and Jobs Act, the FCC has to develop more accurate broadband maps that identify what census blocks require specific connectivity solutions.

In order to successfully carry out its mission of implementing section 60506 of the IIJA, the FCC needs to create accurate broadband maps that assess which census blocks require an upgraded broadband buildout. According to the National Digital Inclusion Alliance, there are 18 million U.S. households that do not have broadband of any kind in the home.[7] Approximately four million households in rural areas lack access to broadband of any kind.[8] Updating the broadband maps will be beneficial for would-be startup founders who are currently invisible on FCC's broadband maps by accurately assessing the census blocks with poor Internet or no broadband access of any kind. For some areas of the country, a lack of broadband access is a barrier to entrepreneurship. This lack of access has a direct effect on would-be founders' ability to build their startup as well as early-stage employees' ability to join young and growing companies. For example, Heather Fleming from Change Labs explained how her group's work to open co-working spaces on Navajo land creates opportunities for members of the Navajo Nation that have no access to the Internet or landlines at

---

[4] FCC Notice of Inquiry: Preventing Digital Discrimination GN 22-69.

[5] Andrew Perrin, *Mobile Technology and Home Broadband 2021*, Pew Research Center (June 3, 2021), https://www.pewresearch.org/internet/2021/06/03/mobile-technology-and-home-broadband-2021/ .

[6] *What does Digital Inclusion Mean?* BroadbandUSA, https://broadbandusa.ntia.doc.gov/about-us/frequently-asked-questions/what-does-digital-inclusion-mean (last visited May 16, 2022).

[7] *AT&T's Digital Redlining Leaving Communities Behind For Profit*, National Digital Inclusion Alliance (Oct. 2020). https://www.digitalinclusion.org/wp-content/uploads/dlm_uploads/2020/10/ATTs-Digital-Redlining-Leaving-Communities-Behind-for-Profit.pdf .

[8] *Id.*

home.[9] Before states and other anchor institutions can receive funds from the Infrastructure Investment and Jobs Act, regulators must have a clearer picture of which communities across the country lack adequate access to the FCC, and NTIA can strategically assess how to deploy funds to the states.

IV.   Conclusion

As the FCC tackles the issue of digital discrimination, it should consider the needs of startup founders and employees– and the next generation of startup founders—including by taking a comprehensive view of the digital factors that exclude individuals from participating in the Internet, startup and innovation ecosystems and pursuing accurate and up-to-date information about which communities across the country are currently underserved.

---

[9] *#StartupsEverywhere profile: Heather Fleming, Co-Founder and Executive Director, Change Labs*, Engine (Oct. 19, 2020), https://www.engine.is/news/startupseverywhere-tuba-city-ariz-change-labs.